**Mid-term correction in country's Economic Reforms**

521. SHRI N. GIRI PRASAD:

SHRI N. E. BALARAM:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that he has indicated Government's openness to mid-term corrections in the country's economic reforms programme;

(b) if so; whether Government are making any evaluation of the performance of the new economic reforms programme;

(c) whether Government are eliciting the views of different political parties; trade unions; economists and intellectuals on the import of the new programme; and

(d) if so; the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) (a) to (d) The Government follows a flexible approach to economic reform and is open to any mid-term corrections which are consistent with the main objective of reform; namely; to bring about rapid and sustained improvement in the quality of life of the Indian people. The performance of economic reforms is being monitored on a regular basis and the views of different interest groups on the import of the new programme are also elicited. A document captioned "Economic Reforms: Two Years After and the Task Ahead—Discussion Paper" outlining the rationale for the programme of economic reforms undertaken in the first two years and indicating the reform agenda for the next three years was released recently or this purpose.

**Outflow of NRIs Funds**

522. SHRI P. UPENDRA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that there has been a continuous outflow of NRI funds in recent months;

(b) what is the amount which has gone out of the country during the firs six months of th ecurrent financial year; and

(c) what steps Government are taking to stop this outflow?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) (a) No; Sir.

(b) and (c) Do not arise.

**Recovery of loan sanctioned by State Bank of India; New Delhi**

523. SHRI N. GIRI PRASAD:

SHRI GURUDAS DASGUPTA:

Will the Minister of FINANCE be pleased to state:

a) whether it is a fact that out of the loan sanctioned by the New York branch of the State Bank of India (SBI); during 1988-89 an amount aggregating to $ 30 million had turned sour;

(b) whether Reserve Bank of India; while conducting management audit of the SBI had made critical observations on the quality of loans at New York and Chicago;

(c) if so, the details and the steps taken to conduct an inquiry and fix responsibility;

(d) whether any action has been taken against the Chief Executive of the New York branch; and

(e) if so; the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) (a) Detailed examination by State Bank of India (SBI) of 47 accounts with an aggregate value of US $ 25 million on the books of the New York Branch as on August; 1991; revealed a likely short-fall of US $ 10.50 million. However; many of these accounts relate to an earlier period.

(b) Reserve Bank of India (RBI) have reported that their Management Audit Report on SBI contains critical observations on the quality of loans at New York Branch only.

(c) to (e) An analysis of these problem loans Shows that in the majority of the cases, the reasons for the accounts turning problematic were extraneous; such as fall in real-estate prices. Accordingly to SBI the spot audit report has not indicated any mala-fides on the part of the then Chief Manager and Chief Executive Officer of their New York Branch.

**Multiplicity of Development Financial Insturctions**

524. SHRI P. UPENDRA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that there is a multipilicity of developmental financial institutions;

(b) whether this is leading to delays in the financing of deserving projects; and

(c) what steps Government are taking to remedy the situation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AMED). (a) to (c) Over the years, an integrated structure of development financial institutions both at all-India level and State level has emerged to serve the needs of large, medium and small sector. All India Financial Institutions viz. Industrial Development Bank of India (IDBI), Industrial Credit and Investment Corporation of India (ICICI), Industrial Finance Corporation of India (IFCI), Industrial Reconstruction Bank of India (IRBI) meet the financial needs of medium and large industrial projects. An inter-institutional mechanism has been evolved by IDBI in participation with the all-India Institution to process the cases involing joint financing On deceipt of complete information, the financial assistance is sanctioned expeditiously. At the all-India level Small Industries Development Bank of India (SIDBI) was also set up as a wholly-owned subsidiary of IDBI for promotion and financing of small scale industry. SIDBI provides refinance assistance to State level institutions and banks. State Financial Corporations were set up to meet the credit needs of small scale industries. State Industrial Devolopment Corporations were set up to promote large and medium scale industries in participation with private promotors.

**Similar incentives for India and Foreign Investors**

525. SHRI P. UPENDRA: Will the Minister of FINANCE be pleased to state:

(a) whether the Indian industrialists and entrepreneurs have requested Government for similar concessions and incentives as provided to foreign investors; and

(b) what is the reaction of Government to this demand?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) A group of industrialists met the 1993. In their representation the Finance Minister on 10th November 1993. In their representation on